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BEFORE THE POSTAL REGULATORY COMMISSION WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL & FIRST-CLASS PACKAGE SERVICE
CONTRACT 52 (MC2017-174)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2017-275

USPS NOTICE OF CHANGE IN PRICES PURSUANT TO AMENDMENT TO PRIORITY MAIL & FIRST-CLASS PACKAGE SERVICE CONTRACT 52 (December 18, 2017)

The Postal Service hereby provides notice that prices under Priority Mail & First-Class Package Service Contract 52, in the above-captioned proceeding, have changed as contemplated by the contract's terms. The instant notice corrects and replaces the USPS Notice of Amendment filed in this docket on December 12, 2017. A redacted version of the amendment to Priority Mail & First-Class Package Service Contract 52 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective two business days after the day that the Commission completes its review of this filing.

The Postal Service is also filing supporting financial documentation and a certified statement as required by 39 C.F.R. § 3015.5. The certified statement required by 39 C.F.R. § 3015.5(c)(2) is provided in Attachment B. A redacted version of the supporting financial documentation is included with this filing as a separate Excel file. The Postal Service's original application for non-public treatment in this docket is hereby incorporated by reference for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

Elizabeth A. Reed

475 L'Enfant Plaza, SW Washington, D.C. 20260-1137 (202) 268-3179 Elizabeth.A.Reed@usps.gov December 18, 2017

ATTACHMENT A

REDACTED AMENDMENT TO PRIORITY MAIL & FIRST-CLASS PACKAGE SERVICE CONTRACT 52

AMENDMENT #1 OF SHIPPING SERVICES CONTRACT BETWEEN THE UNITED STATES POSTAL SERVICE AND

REGARDING PRIORITY MAIL AND FIRST-CLASS PACKAGE SERVICE

WHEREAS, the United States Postal Service (the "Postal Service") and ("Customer") entered into a Shipping Services Contract, PM-FCPS Contract 52, Docket No. CP2017-275 regarding Priority Mail and First-Class Package Service on August 7, 2017

WHEREAS, the Parties desire to amend Table B in Section I.E.2, the terms in Section I.F, Table C in Section I.G, Section I.I and add Tables 9 and 10 to Section I.H of the Contract.

NOW, THEREFORE, the Parties agree that the contract is hereby amended as detailed below. The existing contract remains unchanged in all other respects. This amendment shall become effective two (2) business days following the day on which the Commission issues all necessary regulatory approval.

[Replace Section Table B in Section I.E.2, as follows.]

I. Terms

E.

2.



[Replace Section I.F, as follows.]

F. From the effective date of this amendment until December 31, 2017 ("Implementation Period"), and for the following Contract Quarter, Customer will pay Tier 5 prices for Contract Packages, pursuant to Table 9 and 10, respectively. Beginning April 1, 2018, subsequent tier pricing will be determined by the quarterly average of Contract packages and Customer's other Priority Mail and First-Class Package Service packages ("Total Packages") shipped throughout the term of this Contract, not to include the Implementation Period. If the quarterly average of Total Packages shipped falls below the minimum volume set for Tier 1 pricing, the Postal Service at its sole discretion has the right to revert Customer to the most current Priority Mail Commercial Plus and First-Class Package Service prices for the subsequent Contract Quarter.

[Replace Table C in Section I.G, as follows.]

G.

Table C

rable C	
Contract Year (CY) 1	Tier Determination
Quarter 1	Tier 5 Pricing
Quarter 2	Tier 5 Pricing
Quarter 3	Total Packages Shipped CY1 Q2 ÷ 1
Quarter 4	Total Packages Shipped (CY1 Q's 2&3) ÷ 2
Contract Year (CY) 2	Tier Determination
Quarter 1	Total Packages Shipped (CY1 Q's 2,3&4) ÷ 3
Quarter 2	Total Packages Shipped (CY1 Q's 2,3&4 + CY2 Q1) ÷ 4
Quarter 3	Total Packages Shipped (CY1 Q's 3&4 + CY2 Q's 1&2) ÷ 4
Quarter 4	Total Packages Shipped (CY1 Q4 + CY2 Q's 1,2&3) ÷ 4
Contract Year (CY) 3	Tier Determination
Quarter 1	Total Packages Shipped (CY2 Q's 1,2,3&4) ÷ 4
Quarter 2	Total Packages Shipped (CY2 Q's 2,3&4 + CY3 Q1) ÷ 4
Quarter 3	Total Packages Shipped (CY2 Q's 3&4 + CY3 Q's1&2) ÷ 4
Quarter 4	Total Packages Shipped (CY2 Q4 + CY3 Q's1,2&3) ÷ 4

[Add Tables 9 and 10 to Section I.H, as follows.]





[Replace Section I.I, as follows.]

I. Annual Adjustment

1. For subsequent years of the Contract, beginning on the first anniversary of the Contract's effective date, customized prices under this Contract for Priority Mail Contract Packages, found in Tables 1, 3, 5, 7 and 9, will be the lesser of:

(a) the previous year's prices of general applicability for Priority Mail Commercial Plus, as calculated by the Postal Service, or (b) the previous year's prices plus

- 2. For subsequent years of the Contract, beginning on the first anniversary of the Contract's effective date, customized prices under this Contract for First-Class Package Service Contract Packages, found in Tables 2, 4, 5, 8 and 10, will be the lesser of: (a) the previous year's prices of general applicability for published First-Class Package Service Commercial, as calculated by the Postal Service, or (b) the previous year's prices plus
- 3. Customized prices for the subsequent years will be calculated by the Postal Service and rounded up to the nearest whole cent. If the Postal Service maintains or decreases published rates of applicability for Priority Mail Commercial Plus or First-Class Package Service Commercial there shall be no change to that product's respective contract pricing for that Contract Year.

IN WITNESS WHEREOF, the Parties hereto have caused this amendment to be duly executed as of the later date below:

UNITED STATES POSTAL SERVICE

Signed by:

Title: Senior Vice President, Sales and Customer Relations

Printed Name: Cliff Rucker

Date: (C[6])

ATTACHMENT B SIGNED CERTIFICATION

Certification of Prices for Amendment to Priority Mail & First-Class Package Service Contract 52

I, Steven R. Phelps, Manager, Regulatory Reporting and Cost Analysis, Finance Department, am familiar with the prices and terms for the amendment to Priority Mail & First-Class Package Service Contract 52. The amended prices and terms contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 11-6).

I hereby certify, based on the financial analysis provided herewith, that the amended prices are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). They are expected to cover attributable costs. There should therefore be no subsidization of competitive products by market dominant products. The amended contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

Digitally signed by Steven R. Phelps Steven R. Phelps

Postal Service, ou-Pricing & Costing, email-steven.phelps@usps.gov, c=US

Date: 2017.12.18 11:09:29 -05'00'

Steven R. Phelps